

Dr. ENRIQUE SANCHEZ

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FREE ENTERPRISE IN VENEZUELA

**(Let's reject. conformism and act like
true businessmen)**

**Conference delivered by Dr. Enrique Sánchez at the
Caracas Stock Exchange on Jan. 25th. 1962**

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Dr. Enrique Sánchez combines a consistent curiosity in the academics of political economy with a businessman's pragmatic understanding of their significance. The lecture that is published here was made at the Caracas Stock Exchange on January 25th of this year. Dr. Sanchez is Director of Intersan as well as of Sanchez & Cia. He is also Chairman of the Human Relations Committee of the American Chamber of Commerce.

It is an encouraging, almost exhilarating, experience to read this excellent defense of the free enterprise system by Dr. Enrique Sánchez. This economic philosophy which has developed and improved the living conditions of men in every country where it has been practiced, is unfortunately under fire in many high places today.

For me it is an agreeable task to introduce the ideas of Dr. Sanchez to an audience that should include every foreign businessman working in Latin America. We feel a special sense of pride since Dr. Sanchez is one of our loyal members and has been for years a member of our Human (Industrial) Relations Committee. This year he is Chairman.

Venezuela, that gracious country in which we are privileged to live and to work, is now passing through a powerful are the forces that stand arrayed against the period of travail and great social stress. Many and powerful are the forces that stand arrayed against the business philosophy which is so ably defended by Dr. Sánchez. Let us all take courage from the fact that Venezuela possesses a new young generation of patriotic and perceptive businessmen like Enrique Sanchez and let us hope that their efforts in spreading this noble doctrine shall be successful.

WILLIAM RILEY HINKLE.

President of the American Chamber
of Commerce of Venezuela

When a poet or painter succeeds in getting on paper or canvas the internal workings of his soul, when his artistic expression has acquired maturity, it is said that he has found himself. Have we Venezuelan businessmen found ourselves? Will we have sufficient maturity to turn our doubts into positive action? Or to make the question any easier, do we know what should be our attitude before the problem of the country's development?

Economic Groups

Let us present some of the factors that act in our economic picture. Statistics inform us that we have the greatest per-capita income of any country in Latin America, equal to Holland, but we see poverty around us, large sectors of the population lack the essentials in order to satisfy the most elemental necessities. The petroleum era has permitted us a general improvement in our standard of living but too often pressures of privilege created proletarian élites, dishonest public officials, or pseudo-businessmen who obtained special concessions hiding behind favors of state. These three, are the direct cause of unemployment, corruption in the administration, and the poverty of the country. In effect combined, they are one of the causes of our helter-skelter development. Fortunately, there are many hard-working laborers who earn their daily upkeep efficient and

real businessmen who attempt to interpret, without privilege, the desires of the consumer, providing, in his way, the means to solve some of the human needs. In the same fashion, there are some honest public officials who are active and work for the benefit of the country as a whole.

The existence of the first three privileged groups has led to generalizations about lazy and inefficient workers, of ne'er-do-wells. and inept bureaucrats and of speculating businessmen. Our inability of not knowing how or in not being able to distinguish between the good and the bad, places us in the position of not being able to evaluate the means which are at our disposal.

State Capitalism

This slant on the problem could apply practically to any country but the principal characteristic, almost typical of our economy, is the capitalism of the state. The same "Leyes de Indias" that gave the kings of Castile the ownership of the sub-soil, has permitted, through the exploitation of rich oil deposits, and given the government such tools that it controls directly or indirectly all economic activity and when it wishes to favor or prejudice a given sector it simply orients public spending in the direction desired. This hypertrophy of Venezuela before the eyes of its own inhabitants has taken us to a kind of complacent socialism, of a paternalistic state where the majority of the people pay homage to it, sheltering itself under its fertile branches in order to obtain, once in a while, a fruit or two.

We want to bring to reality the symbolism on our national shield of the horn of plenty and we have sat down waiting comfortably to benefit from a transient richness, without taking into consideration that the nation's abundance, as interpreted in the coat of arms, is based on freedom and work. We have grown to believe that the Venezuelan State is a permanent producer of riches, transferring upon it our own responsibilities that we must assume before the problem of economic development. The common phrase,, "the government should...." has replaced natural, and necessary, personal action. The industrialist, businessmen, agriculturalist, the worker, the campesino and the common citizen waits for the government to solve his own problems which really are his own obligations. Each day we ask from it more and more, but, before giving us more, it has to take away from us first and at the end of the process we only get a truncated part.

We have assimilated socializing practices, as a direct consequence of our huge state riches. We have entered into those dangerous fields spontaneously without any doctrinaire intentions. General Gómez "socialized" for himself cattle-breeding, because he liked cattle. So great was his devotion for that activity that he ruined it, General Pérez Jiménez socialized several industrial branches upon creating certain state monopolies. And the regime of the present government, in some aspects, is doctrinairely socialist.

State Intervention

There exists a collective desire for social masochism. The state dominates us but it seems as if we enjoyed it

and invite it to be more powerful. There is no economic activity that does not seek, directly or indirectly, the benevolence of the state and, before this collective indifference or complacency, interventionism increases daily.

There are three motives that are called upon to justify it: First, that the State should intervene to eliminate the so-called social injustices. Secondly, that in the under-developed countries it is convenient, and even absolutely necessary, to have state planning in order to speed-up development. Thirdly, given the special circumstances of high fiscal income the high value of our money and salaries, intervention is justified to reduce the imports of foreign products.

Economic sophisms are easy to propagate as absolute truths and later serve as the means and the end of state economic policy. Statistics, handled capriciously give a false base to problems and, as a consequence, solutions are incorrect. Efforts are being made to build a State apparatus that will be dean of all human activity but there is no organization capable of modifying, with success, economic laws. The apparent triumphs bring as a consequence failures in other activities.

The privileges obtained by that route do not last long. The industrialist favored by tariff protection loses his advantage in no time flat, due to internal competition, but, the consumer has to continue buying his costly production. The workers who celebrate with happiness a collective contract see their gains diminish upon the conquest of similar successes my other workers.

Economic goods are scarce, that is why they have value. If they were as abundant as we wanted they wouldn't have that value. For that reason we should utilize them as well as possible. On this point there is no discussion among socialists, interventionists, or liberals. The difference lies in the way this is to be realized. The socialists believe in the bureaucratic planification of private activity, and some even pretend to qualify it by saying that it should be democratic. With that they want to say that they should interpret the desires of the consumer. The liberals also believe in planification but realized directly through the consumers, without the necessity of interested interpreters.

Let us utilize the Lessons of History

All of us desire the elimination of misery but are we choosing the adequate road to obtain that sane end? We should study history of peoples to rectify errors and improve what progress has already been made. In Imperial Rome, the Edictus Maximus of Diocletian annuled liberty and created misery to give privileges to some groups who later were unable to enjoy them. This Edict has been the classic maximum law of economic interventionism. It supressed commercial liberty and the privileged were forced to isolate themselves in their estates, giving rise to the autocratic economy of feudalism. This economy of the privileged was what sank humanity into the obscure era of the Middle Ages, from wich it did not really emerge until it was freed by the Industrial Revolution. In modern times, the thirst for power gave rise to German socialism headed by Bismark and later perfected by Hitler, where the collectivity kept an apparent hold on property

but it was directed and controlled by the absolute power of a dictator where the man of business was only a pawn in a fatal game of chess, and the Soviet socialism, or bureaucracy, where (similar to Nazism) the State controls all economic activity with the sole difference that they say that the goods belong to the State and not to their legitimate owners.

Caste System

The countries that have not abandoned the caste system, those who are dominated by a series of regulations, state or religious, in which the feudal state continues to exist, such as in Asia or Africa, countries that have never lived under liberty or the human dignities, nor practised the concept of economic liberalism, find themselves immersed in misery. These systems are not representative of capitalism as long as they exercise not only the power of caste and economy but also coercive power which identifies them as socialist regimes. These small "absolute" states join together in order to exercise more efficiently their action of privileges.

If we compare the essential differences between feudal and artesanal economies with industrial economy we shall find the first were based on the privileges of class or of experts (masters) of a particular field of endeavor and were produced for the feudal lord or for a privileged elite. However, in contrast, the second can be considered a revolution because it modified the social structure; things were mass-produced for the masses. They are the ones who determine, through a permanent plebiscite, who will determine what, how many, and in what fashion are

the products to be made that will satisfy the needs of the population. In this demand-market democracy not only the positive votes count but also the negative ones, because profits will be determined by the consumer upon accepting or refusing a product. In a competitive market it is not the arbitrary caprice of a businessman what determines his own profits.

Economic Freedom

The greatest social and economic welfare has been the product of the greatest political and economic freedom. Caesar Augustus' Rome was prosperous because it was free and the actual situation of Europe serves as an example to the world because it does not pay tribute to the economically privileged. Some who reject the idea of an economy based on representative freedom and the socio-economic betterment of the market are guided by the fact that they cultivate or aspire to some privilege. They claim that it is good for the industrialized countries but that it does not work in the underdeveloped countries and they do not really give valid reasonings to their conclusion. It is precisely those countries that have passed through the difficult stage of their own growth that have a strong economic structure and can support bureaucratic errors and transgressions of the economic laws. That is not so with countries under development.

Economic Fallacies

We men of business are basically naïve and accept many real, many fallacious measures without analyzing them. We have been told over and over again in many

different ways that we do not even resort anymore to methodic doubt. I firmly support industrialization and local production as long as it does not seriously prejudice the country but we are told that we should be self-sufficient, that we should produce all the goods that we consume and with that we shall then obtain economic independence. This error is repeated to us through the press, radio and television and it is shared by not few public officials; but was Robinson Crusoe really independent because he was self-sufficient? The complex of self-sufficiency has been the necessary base for the impoverishment of countries and has served as the base for territorial imperialism. One of the causes of war has been this spirit of isolationism where countries can only obtain expansion based on violence. Hitler's Germany is a classical example of this.

Another of these fallacies is the undue preoccupation for foreign commerce. The balance of payments of a country should always square off. For many this truth sounds like a great lie because there exist interests that sustain the exact opposite in order to obtain special concessions. The monetary value of the total imports and exports should always be equal unless one of the countries gives credit to the other. The division of labor is the institution which man counts on to obtain the most fruits from his productive activity permitting one to do the work in which he finds himself to be most efficient. In other words, it is the simplest way of using resources to obtain the greatest amount of goods or benefits. This same social and economic principle that separates man's labor is also true when we apply it to the

international camp. There is no argument in existence that can disprove this.

Exports Harmed

Interventionism in the monetary field has created a foreign exchange relationship that harms exports and serves as a powerful subsidy to imports. To "solve" this problem, industries are protected, subsidies handed out, tariff barriers raised, import licenses required, prices and production regulated, emergency plans and Parkinson's Law applied. Such confusion of privileges and protection has been created that we can no longer say that we have a free economy; at best we can say that it is an economy on crutches that walks with a limp and resting on the shoulders of privileges.

Each privilege obtained is, as far as we are concerned, a concession. It means less liberty with more intervention; face to face with this powerful government, many sing its praises to obtain greater privileges; but who in the last analysis pays is not the state but the consumer, who sees his capacity for free choice curtailed, the prices of consumer goods increased and consequently, salaries reduced.

Thus in diminishing the general purchasing power, production and employment are also reduced; and even when the protected sector of the economy advances the rest of the economy feels it. What therefore is the balance in this equation between employment and non-employment? The producer of consumer goods aspires that his raw materials be not "protected". The workers

demand, and with reason, an increase in salaries when they work in protected industries and in this struggle I repeat, there is always one who pays: and that is the consumer.

Union Policies

Union leaders have made the populace believe that the improvement in the socio-economic level of the working class is due to their efforts. It is true that the unions manage to raise nominal salaries and sometimes, to some groups, real salaries of workers. But the sector that is not favored, consisting of the vast majority, sees its real income threatened by the everising cost of living. There are many, also, who are unemployed due to the demagogic efficiency of union leaders who have managed to raise salaries over and above what the labor market can normally pay. Unions are useful and convenient when they act within the normal framework of their specific roles. But they are not capable, by themselves, of increasing in a permanent manner, the standard of living of all workers.

Our haphazard political and union history proves this affirmation. The real income of some workers has increased in this era of union effervescence but there are many who today cannot get sufficient salary for their daily bread.

The increase in real income either here in Venezuela or in any of the socialist or capitalist countries is due to the greater productivity increase per worker. There is no other formula. In countries where there is no free eco-

nomy the businessman cannot determine on his own account the salaries he is to pay. It is the spontaneous pressure of the market that determines the income that the worker is to receive for his job. The businessman is not the one who actually pays the salaries. He only becomes the boss of the consumer and whatever additional cost is added, it is the consumer who must meet it.

The businessman does not act in a market economy for himself but on account of, and for the benefit of, the collectivity.

Worker gains are convenient. I am an active supporter of these gains; they are not against the socio-economic development of the market. We should support their demands but through the normal channel of free initiative. They should be applied voluntarily by the companies or through collective agreements. Let us not fool ourselves with state social benefits that we have been made to support through taxes. The social benefits are nothing but the official reglamentation of the worker's general salary which is useful when it educates him towards saving and specially if it develops cooperation in helping to solve the problems of housing, retirement etc. I wish the system were changed and private initiative could develop a Savings Fund that would replace official Social Security.

Charity and philanthropy are other fields that contribute to amortize social injustices and brake continued pressures but we should be aware that this is only a passing palliative and not a permanent solution. It is pleasing to observe that each day the volume of private contribution increases in this field.

Insecurity

Man from his origins has lived in a permanent and worrisome insecurity. In search of a solution he has resorted to the worship or fear of God, the idolatry of pagan gods, the veneration of totems or the introspective search of the orientals. In modern times much of the population has abandoned supre-terrestrial solutions and resorted to materialism and wants to find in the State the symbol of security and the road to peace of mind.

Man's insecurity towards solving his material needs of roof, clothing, food, education, old age, has led us to the conclusion that the State is capable of solving all these problems. There are persons who are ready to sell their freedom and sense of dignity to achieve this supposed security. But can the state calm this anguish, give the sufficient spiritual and material means to satisfy these needs? Historic experience and scientific logic have demonstrated that the State has not been able nor is it able to give the adequate solution. Under a socialist regime there can be no economic calculation; there is thorefore, waste of energy and of production goods. Fortunately, the world changes, it is a permanent adventure where the active one triumphs and the inept one fails.

In order that there be progress, necessary to eliminate misery, we have to increase the real income of the people and this is achieved by increasing the amount of capital per person. This investment is only possible in a climate of peace, plus such security conditions that both local and foreign capital will be attracted.

The modern businessman particularly in Latin America has no longer only the uncertainty of the market which actually determines a company's profits or losses but also preoccupation due to the instability of the social, economic, or legal dispositions that we live under. Now one cannot only think whether it will be good or bad business but will have to take into consideration whether the very system itself is going to continue to exist.

Over six billion dollars belonging to Latin Americans are in deposit in foreign banks, six billion that have ceased to contribute to our needy Americas because they have not found the adequate conditions. Investment currents are heading to Europe or Canada because there is more security. The Castro betrayal of America has harmed her greatly in this respect and has contributed heavily to increase this sense of insecurity. Fear is greater than the profit motive.

Power of State

One of the biggest worries on the part of those of us who love freedom is the total power of the State that does not know what its limits are; human individual rights are untouchable and more important than those of the State itself. Therefore, it should not be the State who gives or limits individual freedoms.

It is man who has seen in the State, with all its modern attributes, a necessity without which he could not carry on his social life. It is the citizen who has built it so and transferred to it only part of these liberties, but it is man who continues to be the owner of these rights

and not as some pretend today that all liberty is a concession of the State.

This not only has validity in constitutional law but also in day-to-day living. The power of the State has served as mediator and protector of the rented farm-hand and laborer from their bosses, unless the state becomes boss or latifundist. Then, both the farm-hand and the worker lose their defender and gain a more powerful boss with coercitive power and who can make of each difference of opinion a political problem.

It bothers us when Congress can act arbitrarily to eliminate private property and have powers to decide how we are to exercise our natural rights. With all this we come to the false conclusion that our rights depend on the complacency of the public officials who happen to be in office at the time, and if they respect these rights one can only ask what would happen when others who come to power think in opposite terms.

This insecurity is what we should eliminate if we aspire to the suppression of misery. We could reduce this insecurity if we were convinced that always three fundamental principles would be in effect which are essential to a free economy— private property, a free market, and government with limited powers.

The Stand to Take

I have pointed out some of the problems that affect this country and concretely the businessmen also the attitude in which these problems are confronted, maintaining a reverential fear of the State, afraid that

we may be called derogatory names because we disagree with the solutions of the apparent majorities. This attitude becomes more notorious when it is in evidence in some professional organizations. It appears as if we had two personalities, as if our private opinions could be different to that expressed within a professional organization.

We have before us the challenge between a tyranny and freedom. Tomorrow we shall have to account for our actions to new generations. It will not be the Federation of Chambers, nor the unions, nor the political parties, not even the governments who will be held responsible for our actions. It will be ourselves, as individuals, who shall have to answer.

State action through its many branches, reaction of the popular masses, businessmen's or professional's attitudes only reflect individual responsibility. The ideological future, the legal concept and doctrines of the political regimes that we may have in the future, will depend on the attitudes, on the ideas, that we, the groups in the capacity of orientation and leadership sustain today. It is we, the businessmen, as one of these influential groups, who should lead the way. The political leaders, those who have been able to drag with them great masses, are persons of great ability who have been able to interpret collectively the needs of the people at this present time. But the future is not with those leaders, but in the concepts, in the action of the leading groups, and it is up to us, the men of business, to influence future action. Democracies or tyrannies are not the product of one man, but the fruit of collectivity as a whole.

Wrong Policy

We should not support an inflationary policy of deficit spending, of subsidies, of chronic fiscal loans, of weakening the currency.

One of the basic problems of Venezuela is that the government has been too rich and the people too poor. Let us not make the government so powerful and we shall all be happier. When State income is huge, the problem becomes more acute because a giant cannot stand up on skinny legs.

Some experts who came to study our economy seem to have forgotten their own history. Their countries progressed under a system of free enterprise but now they want to apply to us the erroneous principles that they practice today. They want to base development on the systematic expropriation, of a progressive system of taxes, arguing that private individuals do not have sufficient resources to carry forth the transformation of the country. Don't they realize that the argument falls through under its own weight? Why should what little there is, be punished? What would have happened to those countries if during their development they had applied current taxes?

How rich and prosperous would Venezuela be if our taxes were reduced? How spontaneously would private capital come into the country to contribute to our development? It is not too late to modify criteria. The income from petroleum alone would give the country sufficient for carrying out a program of intensive fiscal

spending, leaving private savings to the sane development of the country. There would be no need for government-to government loans which is an indirect manner of selling our wealth in advance and the future cause of new taxes.

The new diplomacy of development believes that it can fight the communist concept taking only material progress to the people. They think that consciences can be bought with money. The communists do not support centers to feed people; they dedicate themselves to selling books, to teaching in the universities, the schools, and supporting publications to influence the mind. If a high standard of living was the only barrier to totalitarianism it would not have established itself in Cuba. Along with material development we need spiritual food, moral practices, and economic doctrine. The battlefield is for the mind, for ideological orientation.

Source of Worry

One of my biggest worries is the criticism the government receives because it is not sufficiently radical in applying the measures that many erroneously consider to be correct. Every day the government is asked for more socialization, more privileges, but few are the ones who cooperate with the government, asking it to change its policies. Policies that are wrong not only in this administration but in systems that have preceded it. I wish to point out only four of its negative effects:

First, the economic and monetary instability. Se-

cond, the import of investment capital has been reduced by 60 per cent; intermediate goods, that is, raw materials, by 25 per cent; in contrast, the import of consumer goods has increased by 7 per cent in spite of the restrictionist and protectionist policies of the government. Third, the decrease of the national net product and of the per-capita income. Fourth there is institutional unemployment. If the results have been negative it is because the policies have been wrong.

The theoreticians of bureaucratic planning consider development as an end in itself when in reality it is only a means for obtaining superior ends. Because of this the community is punished by having to bear the brunt of these errors. There is no reason why the scarce means of sustenance should be taken away from needy workers and farmers. The administrative inflation has all the inconveniences of a real inflation without any of its apparent advantages. This planning only serves to interfere with the desires of the consumer and to confound private investment, taking it in directions that are not always the most advisable. It is because of this that we see factories working at less their optimum capacity and the saturation of competitive activities in certain fields, we also see the real income of the workers diminished indirectly by executive decrees. Public officials, who have been unable to administer fiscal money, pretend to be efficient by disposing of private resources and blame the victims of their mistakes when their plans collapse. Is the government so satisfied with its efforts in the fields that are its own that it can intervene in other activities?

Choosing the road

We know that there are serious problems and that we have to find the road to solve them. This road is at the same time an end: our own human dignity. Down through the ages the more it has been respected, the more fruit and collective prosperity has been obtained.

If we want to contribute efficiently to the development of the country we have to increase the amount of per-capita investment. Neither speeches nor laws were able to give us progress, only positive action, work and useful investment will lead us down that road. Our opponents use two words to sway the masses: demagoguery and regimentation. We shall use two as well: work and investment. We have to love humanity with our heart, but we should find the solution through reason.

Some romantic politicians pretend to measure their efficiency not by the positive results obtained but by unfulfilled wishes. They climb to power on a platform of aid for the needy classes, but with disillusionment for both the elector and elected, their desires are frustrated and the plans fail, not due to lack of effort but because the proper methods were not employed.

Venezuelan businessmen in search of a solution do not see their views adequately represented in the political framework. This has been due to two or three generations of fright and political disinterest, having more confidence in the gendarme of the moment than in the normal development of representative democra-

cy. When one doesn't have a clearly defined economic doctrine one cannot have a delineated political conscience.

Just as we believe that the consumer is the one to determine economic policy, in politics it is the normal citizen who in a free election will guide that policy. We must have a complete idea of freedom. Freedom is fought for every day on all its battlefields.

The Main Problem

I have not pretended to present elaborate programs of an economic doctrine but rather brush strokes of worry and anguish. We businessmen find ourselves arguing nonsense: the percentage of profits or loss in a company; the allocations open for imports, or the production of goods, the inclusion or not of a determined article in the market of controlled foreign exchange, etc. However, we forget about the main problem: of man whose individuality is threatened for the benefit of the state. Today we agree on a lot of things that before we did not accept. Slowly we have been softening. Scarce attention has been paid to human dignity and instead the concept of social or collective interest has been eating slowly away at our own liberties. I have said before that throughout history, man has always maintained a basic insecurity about his future, his personal and family safety. If we can prove with facts that under a system of liberty and respect for private property, under a regime of free commerce and of a government with limited powers, the desired security can be reached, we will have taken a giant stride in the direction of common welfare.

It is not by accident that countries like the United States or of Western Europe have not taken a liking to the communist system. It is simply because they have taken the right road and shown that with efficiency, of private production, the workers and the entire population have found a solution to their material and spiritual needs.

The so-called economic miracles are not products of a supernatural event but simply that the governed and the governors alike have respected economic laws and have acted accordingly without limiting the free initiative of its citizens which has given the community the necessary goods for the solution of its needs.

The envy of men for the successes of the more efficient has given a false solution to problems; whereas healthy egoism, the competitive spirit of profit, is an encouragement that stimulates each one to try and obtain for himself and for his family the greater amount of goods. The total sum of all these interests that compensate each other produces the desired welfare. The lack of this interest takes one to the socialist state where artificial stimulants must be invented, taking away from the worker the possibility of choosing boss, job, and even place of work. It suppresses also the enjoyment of his own activity when he is unable to transfer into the natural result of voluntary savings which is represented in private property.

March to Prosperity

To finish up, I would like to repeat that if we wish to contribute to the development of the country, to the

eradication of misery, to increase the real income of farmers and workers, for the elimination of unemployment workers so as to elevate per-capita production.

I will be told that this is difficult due to the lack of confidence in the country, but this lack of confidence can be overcome if we are convinced that with positive facts free enterprise and private property will permit private individuals to take responsibility and meet their obligations to the country's development. In this fashion they will obtain a better distribution of wealth, each one doing his job in accordance with his participation in the economy, as long as no special privileges are granted.

The state should have sufficient authority but with limited powers, plan its own expenses without interfering with private investment or wasting fiscal money in business adventures, limiting its activities to the huge field of forming social capital in public works, communications, aqueducts, health, education, etc. Works of this kind carried out by governments have been positive and long-lasting. To maintain a solid and firm base of action, to respect laws and have them respected, and to legislate according to sane principles, regulate economic activities in accordance with the requirements of a modern state (but this does not mean that it interferes with price mechanisms) and at the same time preventing special interest from hampering the free play of competition. To maintain a regime of low taxes that will have a spirit of being able to create an economic structure that will permit the increase of fiscal income through a greater private wealth.

Personal Benefit

Today the enjoyment of owning goods has ceased to be a matter of autarchy and has acquired a social function because to obtain any personal benefit from property it is necessary that it benefit the community in some way.

From marginal street-vending activity to great industry, the persons who follow the changes and fluctuations of a market, risking their capital, credit and work in trying to satisfy a collective need, are called businessmen.

They and the workers have on their shoulders the responsibility of the development of the country; of the reduction of misery, of seeking ways to incorporate fully the needy into a useful and dignified life. We have to approach this task with a spirit of justice, feeling the pain of others as if it were ours. But to obtain the desired results we must act under the guidance of a moral basis a sound economy and a social doctrine that would serve to influence the minds of the political and economic leaders.

Let us support, without complaints, the public powers in their positive accomplishments, particularly in their sincere desires to establish a democratic regime, a necessary basis for all healthy progress, and let's energetically reject any violence that will impair its normal development.

We will not be fooled by the treacherous euphoria of monetary inflation, that encourages waste and restricts savings; on the contrary, let us do our utmost to make sure that there will be a sane monetary policy. Let us

convince ourselves that the countries that do not love work cannot aspire to progress. That is why creative work should be better compensated so that it will serve as a stimulus and speed-up the pyramid of progress.

Social market economy is not just something that benefits some and hurts others, an aspiration of rights without any obligations, free enterprise, social market economy mean change, permanent innovation, forward action, progress. It means to reward the efficient servant and punish the unable one. The responsibility of the "march towards progress" is ours. For that we must have an open mind for all achievements that tend to improve the collective welfare. Avoid at all costs the creation of special privileges of any kind, the cause of growth of favored groups that hinder development and produce injustices. Economic advancement must go hand-in-hand with social betterment.

We have a common task, a mission to accomplish. We are embarked together in an effort to take our country into a safe port. If we fail, there is no alternative other than to abandon ship or sink with her. If we do not accept the obligation of development, the socialists will say, with reason, that we have been unable to respond to the challenge.

God willing and with the help of men's good intentions, let us hope that what happened to Boabdil, the last Moorish king in Spain, will not occur to us. When he had lost his city of Granada he sat outside the city gates and cried over his loss. His own mother, in a phrase that could well have been his epitaph, said to him:

"Don't cry like a woman over something you were unable of defending as a man".